

LSTA NC ECHO HERITAGE PARTNERS GRANTS
North Carolina ECHO, *Exploring Cultural Heritage Online*
2007-2008
Information & Guidelines

1. PROGRAM-SPECIFIC INFORMATION AND GUIDELINES

1.1. What is this grant program and its purpose?

This Heritage Partners grant program is a component of North Carolina ECHO ("*Exploring Cultural Heritage Online*")—one of the State Library's LSTA-funded statewide projects. North Carolina ECHO's goal is to extend the use of digital technologies to broaden access to the unique collections housed in North Carolina's libraries, archives, museums, and historical societies. To accomplish this, North Carolina ECHO is working in partnership with the state's cultural institutions to conduct a comprehensive statewide needs assessment, formulate a set of guidelines for digitization, craft a continuing education program, create an online portal to the State's special collections, and develop grant programs.

To achieve the vision for NC ECHO, the State Library of North Carolina offers three types of LSTA grants to libraries. The grant programs are designed for cultural institutions with different levels of experience, and the three support projects of increasing complexity:

- NC ECHO Digitization Starter Grants provide funding of up to \$8,000 to libraries with limited experience. One-year grants support the purchase of equipment and training to help libraries "get started" with digitizing their special collections.
- NC ECHO Digitization Grants are up to \$50,000 for a single library or \$75,000 for a collaborative project to be carried out by multiple partner institutions. They are intended to help grantees create online content; prepare online finding aids; establish partnerships, and incorporate Web cataloging or metadata into digitization projects. Grants are available for projects that require one to three years for implementation.
- NC ECHO Heritage Partners Grants provide up to \$150,000 a year for multiyear projects that must include a collaborative partnership with at least one non-library cultural institution. Applicants must have substantial experience and the ability to provide leadership in these complex projects. The projects must result in substantial online content and contextual information that highlight a topic important to North Carolina's history and culture. To qualify, an applicant must have completed an LSTA Project Planning Grant.

The LSTA NC ECHO Heritage Partners Grants are intended to help a lead library and its partner institutions create online resources of significant statewide interest. Each proposed project must:

- Create extensive online resources that focus on topics important to the history and cultural heritage of North Carolina;
- Adhere to current standards and best practices in the incorporation of metadata into digitization projects; and
- Establish effective, sustainable collaborative partnerships that foster the sharing of expertise, skills, and resources among cultural heritage institutions.

Project activities will focus on:

- The creation of digital surrogates of original special collection materials and the online presentation of this digital content; and/or
- The encoding of existing finding aids for archival and/or manuscript collections and the online presentation of these resources.

The NC ECHO Heritage Partners Grant Program funds complex, multi-institutional projects. For that reason, applicants are required to have successfully implemented an LSTA Project Planning Grant. Having received a planning grant will not guarantee that a Heritage Partners applicant will be successful; however, a comprehensive planning process is essential to preparing an appropriate grant application.
See Section 2.2. for further information.

Libraries with limited experience in creating digital content and in working in collaborative relationships should consider applying instead for an NC ECHO Digitization Grant. This NC ECHO Heritage Partners Grant Program differs from the NC ECHO Digitization Grant Program in two significant ways:

- Heritage Partners Grants require collaboration. The purpose of the collaboration is to allow libraries with capacity and experience in digitization projects to help the staff and volunteers in smaller libraries and other types of cultural heritage institutions develop the expertise and capability to contribute important digital content and to sustain its efforts over time.
- Heritage Partners Grants are expected to result in online content and contextual information that highlights a topic of major importance to the history and culture of North Carolina. The result should be online resources that explore a broad theme in a manner that appeals to multiple audiences.

Providing resources that enrich educational opportunities for children and teens is a priority for NC ECHO. Heritage Partners projects may be strengthened by including appropriate activities to support the state's educational programs. **Appendix B** provides guidance for project planners that wish to include support for K-12 education in North Carolina.

LSTA NC ECHO Grants, including the Heritage Partners Grant, do **not** support:

- collection development activities, including the identification or acquisition of new materials;
- preservation activities or materials (reformatting of media, preservation enclosures, etc.);
- arrangement, description, or cataloging of source material;
- retrospective conversion of catalog records;
- purchase or update of content management systems, including collection and digital asset management systems; or
- digitization of runs of newspapers, either from paper copy or from microfilm.

(See Section 1.6. below for more detail about ineligible expenses.)

These grants will support the implementation of several facets of the *Library Services & Technology Act Plan for Implementation in North Carolina – 2003-2007*, available at URL: <http://statelibrary.dcr.state.nc.us/lsta/plan2003-07.pdf>

- **Goal #1: CREATING A CLIMATE FOR INNOVATION & CHANGE**
 - *Outcome 2.1: All of North Carolina's cultural institutions work together to make the state's unique cultural and historical resources accessible for the education and enjoyment of people of all ages.*

These grants are in a category called “Project Grants” in the policies and procedures outlined in *Library Services & Technology Act Plan for Implementation in North Carolina – 2003-2007* at the URL above. The grants have a two-step process: 1) eligible libraries submit a Letter of Intent and 2) libraries whose Letter of Intent is approved may submit a full application. See *details in Section 2.3 of these guidelines*.

1.2. Who may apply?

This grant program is designed to fund large, collaborative, multi-year digitization projects on topics important to North Carolina’s history and culture, featuring a lead institution and multi-institutional collaboration as key components. Libraries considering applying for these grants must have substantial experience with digitization and demonstrate a willingness to extend their role in order to enable partner institutions to benefit from their expertise. Lead libraries must have these attributes:

- staff assigned to the project who have appropriate experience with similar projects;
- important cultural heritage collections of demonstrable strength and depth;
- appropriate technical infrastructure and experience with large, multi-faceted online projects; and
- suitable administrative capacity.

Applicants must have completed an LSTA Project Planning Grant and must clearly meet the criteria outlined for the lead library in an NC ECHO Heritage Partners Project.

As stated in Section 1.1., libraries with limited experience in creating digital content and in working in collaborative relationships should consider applying instead for an NC ECHO Digitization Grant.

The following libraries are eligible to submit a Letter of Intent:

- public libraries that qualify for grants from the Aid to Public Libraries Fund;
- community college libraries;
- libraries serving the constituent institutions of the University of North Carolina (which includes libraries serving the Area Health Education Centers and the North Carolina School of Science and Mathematics);
- libraries serving the member institutions of North Carolina Independent Colleges and Universities; and
- the State Library of North Carolina.

Only libraries that submit a Letter of Intent by November 20, 2006, and receive authorization to submit a full application are eligible to apply for an NC ECHO Heritage Partners Grant.

An eligible library system or academic institution may submit only one NC ECHO Heritage Partners Grant Application in this round. *[Definitions: A library system is inclusive of all outlets making up that system (e.g. Nantahala Regional Library). An institution is the parent institution of the library (e.g. UNC-Greensboro)].*

***These LSTA grants can only be awarded to libraries, and a library must serve as the lead institution in these collaborative projects.
Libraries MUST collaborate with at least one non-library cultural institution in their proposed grant projects.***

Due to the nature of these federal LSTA funds,

- A library must be the lead project agent and be the grant applicant for these collaborative projects (i.e., manage the project, including acting as fiscal agent, serving as primary

contact for the project, maintaining records and paperwork generated by the grant, assuring the successful implementation of the project, and taking responsibility for completion of final reports), and

- Other cultural heritage institutions (e.g. archives, museums, historical/genealogical societies) must collaborate with a library in any project receiving support from this grant program.

Previously funded LSTA NC ECHO grantees may reapply for funds for new projects. However, each application will compete as its own stand-alone grant project, and priority may be given to projects not previously funded. Applicants should not expect reviewers to possess a prior knowledge of previously funded projects.

1.3. Multiyear grants

NC ECHO Heritage Partners Grants **must** be for multiyear projects. Projects of a scope suitable for this grant program will be too complex to complete in one year. The maximum length for a proposed project will be three years.

The initial approval of a multiyear project does not guarantee funding for future years, but it does assume the project will have priority over new proposals in subsequent years if:

- federal funds are available;
- the required match from local sources is available;
- the project is being implemented as proposed; and
- the project is being managed according to federal requirements and according to terms of the grant agreement.

Multiyear grants are intended to support *implementation* of new projects. LSTA Project Planning Grants are available to assist libraries if they have not completed the project planning and partnership development activities necessary to a successful project implementation. (NC ECHO Heritage Partners applicants are **required** to have successfully implemented an LSTA Project Planning Grant.)

In addition to the requirements for any grantee applying for a one-year grant, multiyear applicants must provide information about the final project outcomes, a multiyear action plan and budget for the full project. While evaluation and other factors may lead to changes over the three-year period, applicants must have plans with clear outcomes in order to qualify for initial funding. Modifications to the project during implementation may be allowed in subsequent years with approval of the State Library in consultation with the LSTA Advisory Committee and/or peer reviewers.

Complete guidelines for multiyear grants are available at
<<http://statelibrary.dcr.state.nc.us/lsta/multiyear0708.pdf>>

1.4. What amount of funds may be requested?

The maximum grant request per year is \$150,000 for these multiyear, collaborative projects; the minimum grant request is \$25,000 per year. The maximum project length is three years. Approval of the project for the initial funding year does not guarantee funding for future years, but applicants will receive priority over new proposals if funds are available and if the project is proceeding in a satisfactory manner.

1.5. Are local matching funds required?

Yes. NC ECHO Heritage Partners Grant project budgets must include local matching funds. These funds must be clearly documented in the application and meet these guidelines:

- The local contribution to the project must equal a minimum of 10% of the amount of federal LSTA funds requested. The match is a 1 to 10 ratio of matching funds to grant funds. Example: If the grant amount requested is \$100,000, the local match must be at least \$10,000, and the total project cost will be at least \$110,000 (\$100,000 grant funds + \$10,000 local funds).
- All of the cash match must be from local or state funds or funds from non-governmental agencies (e.g. foundations, service groups). **Other federal funds and local administrative overhead costs may not be used as local match.**
- Cash matching funds must be spent for the same categories of allowable expenses as the grant funds [See below: "How may project funds be used?"]. An exception may be allowed if the applicant wishes to purchase an appropriate digital asset management system for the project. *Contact the State Library staff to discuss exceptions before submitting a final application.*
- The local contribution may be a combination of cash and library staff salary and benefits.
- Salary and benefits for existing staff who will work with the project may be used for up to 25% of the required local match. Applicants must indicate the role of the staff member(s) with regard to the project and must provide hourly pay rate and benefits calculations information as well as the number of hours the staff will work on the project.
- Matching funds must be from source(s) clearly explained in the grant application.
- Matching funds must be available at the time a funded library signs the grant agreement.
- Matching funds must be available and spent during the same time period as the grant funds: 2007-2008 grant **and match** funds are to be spent in the 2007-2008 fiscal year (July 1- June 30).

The State Library recognizes that a local commitment for future matching funds may not be possible; the intention to provide matching funds in years two and/or three will suffice in the first year of the application.

No expenditures of either grant or local matching funds may be made until lead library representatives and the State Librarian sign the grant agreement.

1.6. How may the project funds be used?

Heritage Partners Grant project funds are intended to create online collections of significant statewide interest through the use of digital technologies. Projects of this complexity are expected to include expenditures of the following types:

- digital imaging of primary research materials (manuscripts, artifacts, artwork, photographs, rare books, broadsides, pamphlets, etc.) and presentation of digital surrogates over the Internet;

- conversion of existing finding aids for archival, manuscript and object collections using EAD (Encoded Archival Description) and/or other metadata schema as appropriate and presentation of encoded finding aids online;
- presentation of digital surrogates and finding aids over the Internet, including technology infrastructure and support;
- hiring temporary staff as needed to manage and carry out the project, and
- supporting partnerships through meetings, training and other development activities.

The proposal must clearly state how each proposed expenditure was determined and why it is needed to achieve project outcomes.

Equipment guidelines for the LSTA NC ECHO Heritage Partners Grant may be found in **Appendix A** of these guidelines. ***Allowable expenditures must follow those guidelines and may include:***

- **Equipment (excluding content management systems)**, including scanners, computers, and computer peripherals (i.e. printers, CD-ROM Read/Write "burners," CD "caddies," etc.) as well as sufficient memory and storage. Any application that requests equipment should clearly state how that equipment will be used to support the project. *This grant program encourages healthy work environments. Any equipment purchased with grant funds should be ergonomically correct.*
- **Furniture**, computer and office
- Basic imaging **software** (e.g. Adobe Photoshop)
- **Supplies** (CDs, floppy disks, photo paper)
- **Travel and subsistence** required for meetings of representatives of collaborating institutions
- Cost of project personnel **training**
- **Personnel**
Allowable with grant funds: Wages and benefits for each temporary staff to be employed for the project. Temporary staff means part-time or full-time personnel hired specifically to help carry out the project, or additional hours for existing part-time staff. The budget narrative should explain the basis for determining the salary and benefits, with benefits shown separately from the salary. Fees and expenses for consultants should be included under Contractual Services.

Allowable as a local match: Up to 25% of the required local match can be met with staff salary and benefits, for existing staff that will work with the project. Applicants must indicate the role of staff member(s) with regard to the project, and provide hourly pay rate and benefits calculations information as well as the number of hours they will work on project.

Outsourcing

Grant funds may be used to support outsourcing of digitization and encoding processes. However, if a project will rely heavily on outsourcing, reviewers will give the proposed approach special attention.

The grant program seeks to build capacity and skills for digitization at participating institutions. Any application proposing to outsource work must provide the rationale for doing so and show that this approach is cost effective. In addition, applicants must demonstrate that the proposed vendor's products and procedures are consistent with the best practices and standards found in NC ECHO's "Guidelines for Digitization" document (available at <http://www.ncecho.org/Guide/toc.htm>). *If the applicant has not had previous experience with outsourcing, institutions should test the vendor's services with a small sample of materials as*

part of its LSTA Project Planning Grant. The proposal should describe the testing process and report the results or describe previous experience with outsourcing.

Use of LSTA funds for certain allowable purchases may require public libraries or public elementary and secondary school libraries to comply with the federal Children's Internet Protection Act (CIPA).

These purchases include the following:

- **Computers used to access the Internet.**
- **Other items and services associated with accessing the Internet, including hardware, software, peripherals, network components, and accompanying installation costs. Specific examples include servers; workstations and the components that comprise a workstation; hubs, routers, cabling, modems, and other components of the network infrastructure; operating system software; Internet service provider (ISP) charges; and installation charges.**

Additional information on CIPA, with guidelines and all required forms, is available at <http://statelibrary.dcr.state.nc.us/lsta/cipa.htm>.

Ineligible expenses:

- On-going operating costs, such as monthly Internet Service Provider (ISP) fees
- Costs of conventional arrangement, description, cataloging, or preservation measures
- Entertainment/refreshment costs
- Wages and benefit supplements/reimbursements for existing **full-time** employees may **not** be paid from grant funds. However, salaries and benefits for staff who will work with the project may be used for up to 25% of the required local match.
- These LSTA grant funds may **not** be used for administrative "overhead" or indirect costs.

1.7. What is the basis for selecting projects for funding?

Eligibility for consideration for funding:

To be eligible for consideration, a library must meet several requirements:

- have completed an LSTA Project Planning Grant that resulted in the proposed project;
- have submitted a Letter of Intent and have been authorized to submit a full application;
- have proposed a collaborative project involving one or more non-library partners, and
- have submitted a full application that is received by the deadline of 5:00 p.m. February 21, 2007.

Three other factors may determine that an application is **not** eligible for further consideration:

- **Multiyear project required**
Proposed projects must be for two-three years. The scope and complexity expected of projects in this program are such that the outcomes cannot be completed in a single year. If your project does not require more than a year, apply for an NC ECHO Digitization Grant.
- **Rights and permissions**
Applicants must be able to certify that they and their partners have full ownership, intellectual property, and privacy rights under current law to create and make available to the public digital copies of materials proposed in their grant application. The State Library reserves the right to request any relevant documentation that supports the applicants'

certifications. For more information on these issues, review Chapter 3 of the NC ECHO Digitization Guidelines at <http://www.ncecho.org/Guide/legal.htm>.

- **Conventional methods of access and preservation**

Original material intended to be digitized during the course of a Digitization grant project must be properly housed and processed prior to the submission of a grant application.

"Traditional practices form the superstructure of any digital project: basic preservation techniques, good descriptive cataloging, and standard arrangement and description must be performed before the scanner can be plugged in. Digitization is not a "replacement activity," but rather an addition to traditional cultural repository techniques and procedures, and in many cases is an enhancement of them. Finding aids, registration records, and other more traditional information management tools are the starting points for digitization projects." From North Carolina ECHO's "Guidelines for Digitization".

Applicants must demonstrate that

- all primary source materials to be digitized are housed in appropriate environmental conditions.
- all primary source materials to be digitized have appropriate access tools (e.g., from online catalogs or card files; in digital or analog format).

Grants do **not** fund any of the following: arrangement, description, cataloging, or preservation activities including microfilming or the purchase of preservation or conservation materials (such as boxes, negative sleeves, etc.).

Criteria for evaluating eligible applications:

For eligible applications, reviewers will use these criteria to make funding decisions.

I. Appropriate planning process

Applications must reflect an effective planning process carried out with the participation of all the project partner institutions and resulting in a clear vision of the final product(s) of the joint effort. Applications should outline a project plan that is both appropriate and thorough, and that includes a process to carry out effective evaluation of the project.

II. The scope, value & planned presentation of content

Proposals will be evaluated on the basis of the quality and quantity of the content that will result from the project. An additional factor will be the project planners' vision for the final product and its presentation. The information will be evaluated on the basis of: the importance of the selected topic to the culture and history of North Carolina; the collections to be represented in the final product as well as the number of digital images that have quality online access that enable easy use; the appropriateness and relevance of the collections and materials to the topic; and the plans for providing contextual information that adds value to the final product of the project and are appropriate for the intended audience(s).

For applications that propose a component to serve the needs of K-12 education, proposed project products must be consistent with **Appendix B**, "K-12 Education Information."

III. Ability and intent to follow the "Guidelines for Digitization" document

Project plans must clearly demonstrate that participating institutions will follow the NC ECHO "Guidelines for Digitization" in implementation.

The State Library will make a hardcopy version of the "Guidelines for Digitization" document (< <http://www.ncecho.org/Guide/toc.htm>>) available upon request.

IV. The lead library's capability to implement the project

The lead library must have

- existing staff expertise in special collections, including general management and conventional methods of preservation and access,
- existing staff expertise in digitization, web design, and web presentation,
- significant cultural heritage collections that will form a key part of the proposed project,
- the technology infrastructure suitable to the demands of the project,
- the administrative capacity necessary to manage the project and the relationships with institutional partners,
- the experience necessary to take a leadership role in developing and sustaining a complex, multifaceted effort with partners outside the institution,
- the commitment of the parent institution and the library administration to support the lead library's leadership role, and
- the willingness to assume this leadership role in the proposed project.

V. The strength and quality of the partnerships

Partnerships among cultural heritage institutions are central to the success of the Heritage Partners Program. The goal of the partnerships is two-fold:

- to expand digital access to the resources of the institutions and
- to transfer skills and knowledge to the partners' staff, volunteers and management as well as expanding the understanding of governing bodies and support groups.

These partnerships with other institutions must clearly benefit users by drawing upon individual institutions' strengths, such as collections, experience, and/or technical capabilities. The partnership must be more than institutions simply cooperating to request funds for equipment to digitize portions of separate collections. The plan, jointly conceived, should demonstrate a clear focus and shared mission for the proposed project while maintaining the lead library's role in managing and sustaining the project. Applicants should demonstrate the effectiveness of the proposed partnership(s) by:

- describing any prior experience working with the proposed partner(s);
- outlining the role of each proposed partner in the planning process;
- stating clearly and precisely what each institution will contribute to the project as well as their roles and responsibilities, and
- providing strong evidence of a shared understanding of how the project's processes will be managed.

Relationships between the partnering institutions are the responsibility of the partners, and not the State Library. The lead library is responsible for establishing and enforcing any agreements or contracts with partnering institutions, including matching funds commitments.

The application must include **letters of commitment** from each partner. The information in the letters will be important factors in evaluating the effectiveness of the partnerships. In addition to providing relevant information regarding all the criteria in this section, the letters should state the clear ownership of any equipment purchased during the project and any digital creations resulting from the project, as well as the willingness of the institutions to assume the responsibilities detailed in the application—both during the project and for the long term sustainability of the digital creation(s).

Both the Heritage Partners Grant proposal and each letter of commitment from the partner institutions must clearly describe the nature of the relationship to reflect those qualities, and reviewers will be evaluating projects using these criteria:

- partners are appropriate agencies and institutions and have worked together before or have demonstrated their ability to work together by sharing responsibility for planning the project;

- the lead library has clearly stated that it will take the lead in coordinating and administering the proposed collaborative project, has demonstrated its capabilities for this leadership role, and has obtained the commitment of its administration;
- the goals of the partnership focus on the goal of expanding access to the resources held by the participating organizations and not on the needs of the organizations;
- each partner organization is fully supportive of the project and playing an active role in the project;
- the role of each partner is clearly defined, and the proposal demonstrates that this will be reflected in the project by describing those roles and specific information about contributions that each organization will make;
- resources for the project are pooled or jointly secured for the longer-term effort that is being organized, and
- the partnership and/or programs developed as part of the project are sustainable over time.

VI. Commitment by the lead library and partners to providing ongoing access after the project is completed

Applicants must demonstrate a commitment to sustainability. Only those that show a strong commitment and capability to maintaining the online availability of the resources created by the grant project following its completion will be funded. Applicants should make plain that they (and their partners, where appropriate)

- have adequate in-house expertise or will be able to provide training to meet project requirements in both creation and long-term maintenance,
- have adequate information technology infrastructure to host and deliver the digital product,
- have adequate and appropriate means for long-term storage and back-up of master digital objects,

Applicants will be expected to follow best practices and standards to assure long-term availability of both the on-line digital creation and associated master digital objects.

VII. Overall quality and clarity of plan, including budgets

Proposals must be clear in the description of the proposed project plan and should not assume that reviewers have any familiarity with the applicant institutions or prior projects.

Proposals must:

- clearly describe outcomes of the project;
- have a realistic action plan (in most cases, it will be best to provide a narrative and a timeline of your project plan);
- provide enough information for reviewers to understand the collections, their status, and value; capabilities of the applicants; activities to be implemented; and funds to be expended (tip: do not submit a proposal that raises more questions than it answers); and
- demonstrate that alternative approaches have been considered, and why the proposed plan is the most desirable.

Project budgets are expected to:

- be appropriate to the plan outlined in the proposal and clearly related to that plan;
- explain the basis for all projected expenditures and the basis for the estimates--leave no proposed expenditures unexplained
- exclude categories such as “miscellaneous” or “contingency” that are not clearly for items necessary for the project;
- be reasonable;
- detail wages and benefits separately;
- include information (e.g. experience and qualifications) about any proposed consultants and other contractual services;
- link any travel expenses to the project plan;

- exclude all disallowed expenditures; and
- meet local match requirements.

VIII. Local matching commitment

The library must contribute the required local matching funds, which must be available by the time the library signs the grant agreement. The source of matching funds must be documented in the application. A factor in the review of grant proposals will be whether a library can clearly show that they will have adequate local resources to implement the project.

NOTE: The lead library is responsible for ensuring that the matching requirement is met. Enforcement of any agreements or contracts with partners or outside agencies regarding matching funds is the responsibility of the lead library.

See Section 2.1. of these guidelines for additional factors and issues that may be taken into account in the review of all grant proposals and selection of applications for funding.

1.8. What else do applicants need to know?

Procurement

Grant provisions for this program (see Section 3 of these guidelines) include the federal regulation requiring grantees to conduct all procurement transactions in a manner providing full and open competition consistent with the standards of 45 CFR 1183.36. Local and state provisions may be more stringent. State requirements are available upon request.

1.9. For further information:

Questions about the LSTA NC ECHO Heritage Partners Grant should be directed to

- NC ECHO Project Staff: Hilary Perez, hperez@library.dcr.state.nc.us, 919-807-7418; or
- State Library Federal Programs Consultant: Penny Hornsby, phornsby@library.dcr.state.nc.us, 919-807-7420.

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2. GENERAL INFORMATION & GUIDELINES

2.1. What is the basis for selecting projects for funding?

In addition to the criteria and priorities listed in Section 1 of the Information & Guidelines for each LSTA grant program, the following criteria also apply:

I. Ability to Pay and Local Effort

In awarding LSTA grants to North Carolina libraries, two additional factors will serve as measures of institutional need if all other factors are equal in the review of a group of grant proposals. They are:

- **Ability to pay:** The relative resources available to fund library services from local government or within an academic institution—that is, the per capita local tax base or the per FTE institutional resources will be used as a measure of ability to pay for services locally, and
- **Local effort:** The relative local effort in supporting library services—that is, per capita support of a public library or, for academic libraries, the library operating expenditures as a percentage of the Educational and General Expenditures for the academic institution, or, for a school library, the per capita support or the library operating expenditures as a percentage of the general expenditure for the school.

The data used by State Library staff and reviewers to determine ability to pay and local effort is updated annually. Data for the current year is available at <http://statelibrary.dcr.state.nc.us/lsta/financialfactors0708.htm>.

II. Applicant's LSTA Grant History

Two other issues may be taken into consideration in selecting applications for funding:

- the quality and effectiveness of the applicant's management of prior LSTA grants, and
- if requests exceed available funds, the number and type of grants that a library has received over the life of LSTA and their total dollar value. This will help ensure that more libraries have the opportunity to benefit from LSTA grant funds.

2.2. Do you need a planning grant?

[NOTE: Planning grants are **required** as a preliminary step in two instances.

NC ECHO Heritage Partners Grants: applicants are **required** to have first successfully completed an LSTA Project Planning Grant.

Automated System Grants: applicants proposing to implement a shared automated system for a consortium **must** have first successfully completed a Technology Planning Grant.]

A library may determine that additional planning is needed before they are ready to apply for a grant. If so, a preliminary step may be to apply for one of the LSTA planning grants. These grants, which have no matching requirement, provide some funds to assist with costs of planning activities. There are three categories of planning grants.

- LSTA Project Planning Grants – to help libraries get ready to apply for specific LSTA grant programs, providing funds to carry out needs assessments; build collaborative partnerships and develop project plans; assess archival and special collections and create plans for digitizing them.
- Planning Grants – general planning for programs and services, process analysis, community-based planning for youth services, a building program or library space utilization study,

- Technology Planning Grants – developing a comprehensive technology plan, planning for a new or upgraded automated library system, including development of an RFP.

The State Library offers two cycles for its suite of planning grants. A mid-year 2006-2007 grant (application due November 20, 2006) would allow a library to complete planning activities between January and July 2007 in time to file a Letter of Intent (LOI) in November 2007 for a 2008-2009 project grant. If the Letter of Intent is successful, the library may submit a full application in late February 2008 for a project that would begin in July 2008.

Information (guidelines and applications) for mid-year planning grants can be found under “2006-2007 LSTA Grant Programs” at: <http://statelibrary.dcr.state.nc.us/lsta/lsta.htm> .

A library applying and funded for a planning grant in the regular cycle (2007-2008 applications due February 21, 2007) would have an allowable planning period of one year, beginning July 2007. With a regular cycle planning grant a library could potentially meet the November 2007 LOI deadline for a 2008-2009 Project grant, however the planning time is likely to be more compressed. A library must consider its own circumstances and capabilities to determine the most appropriate course of action.

A library may not receive the relevant planning grant and the Project grant for which they planned, in the same grant year.

2.3. What is the application and review process?

For Project grant programs (i.e., programs REQUIRING a Letter of Intent):

Project grant programs for 2007-2008 include: Automated System; Innovation / Demonstration; Internet Infrastructure Improvement; Library Outreach Services; NC ECHO Digitization; NC ECHO Heritage Partners.

The grant process for Project grant programs has two steps aimed at saving time and other resources for libraries that are interested in applying for some of the more complex grant programs. It allows the library to determine whether its project concept is eligible and/or competitive.

- Step #1: Letter of Intent: A library interested in applying for a Project grant must submit by November 20, 2006 a Letter of Intent (LOI) explaining the proposed project. (The Letter of Intent is a brief application form found at <http://statelibrary.dcr.state.nc.us/lsta/lsta.htm>.) The LOI will be used to determine whether the library is proposing a project that meets the criteria of the grant program. State Library staff and the LSTA Advisory Committee review the Letters of Intent and the LSTA Advisory Committee determines which libraries are authorized to submit a full application. Libraries will be notified of authorization by December 19, 2006.

For multiyear projects, the Letter of Intent must identify the intention to apply as a multiyear grant. The LOI must also identify activities that will occur over the life of the project and estimate a budget for the entire project.

- Step #2: Full Grant Application: Those libraries that receive authorization are invited to submit a full application with a project plan and budget. Full applications are due February 21, 2007.

For multiyear projects, the full application must include an action plan and timeline for all proposed years, including milestones or checkpoints to demonstrate progress for the full project; an estimated budget for all the years of the project; and, as appropriate, a plan for sustainability.

- To be eligible for review, full grant applications must be received in the State Library's Library Development Section Office (Room 210, Archives & State Library Building) by 5:00 p.m. February 21, 2007.
- Only **complete** applications from eligible institutions (those authorized to submit a full application) will be reviewed.
- Eligible applications will be reviewed and evaluated by State Library staff and outside peer reviewers, according to the grant program criteria. The LSTA Advisory Committee will consider the applications in conjunction with reviewer evaluations and make recommendations to the State Librarian regarding funding.
- Since the LSTA Advisory Committee reviews all LSTA Project grants and makes funding recommendations, no appeal is available.
- Announcement of funded applications will be posted to the State Library's LSTA web site (<<http://statelibrary.dcr.state.nc.us/lsta/lsta.htm>>) by the June award announcement date.
- No project funds (grant or matching dollars) may be encumbered or expended until library representatives and the State Librarian sign the grant agreement.

For EZ grant programs (i.e., programs NOT requiring a Letter of Intent):

EZ Programs for 2007-2008 include: Basic Equipment; LSTA Project Planning; NC ECHO Digitization Starter; Planning; School Library Collection Development; Strengthening Public and Academic Library Collections; Technology Planning.

- To be eligible for review, grant applications must be received in the State Library's Library Development Section Office (Room 210, Archives & State Library Building) by 5:00 p.m. February 21, 2007.
- Only **complete** applications from eligible institutions will be reviewed.
- Eligible applications will be reviewed and evaluated by State Library staff according to the grant program criteria. State Library Senior Management will make final decisions.
- Procedures for EZ grants allow for appeals of funding decisions. Awards are not final until the appeals process is completed.
- Announcement of funded applications will be posted to the State Library's LSTA web site (<<http://statelibrary.dcr.state.nc.us/lsta/lsta.htm>>) by the June award announcement date.
- No project funds (grant or matching dollars) may be encumbered or expended until library representatives and the State Librarian sign the grant agreement.

2.4. How are grant payments made?

- **Grant funds are paid on a reimbursement basis. Libraries pay project expenses using local funds, and are then reimbursed for *actual* documented expenses up to the grant amount awarded.**

- **June 30, 2008, is the date by which all project funds (grant and matching) must be spent.**
- Grant payments will only be made for expenses incurred after a library is awarded a grant and library representatives and the State Librarian have signed the grant agreement.
- Grantees must submit requests for reimbursement once a quarter, at a minimum. Regular reimbursements ensure an even flow of grant payments.
- By the postmark date of April 15, 2008, a minimum of seventy-five percent (75%) of the grant amount must be requested for reimbursement. Requests received by this date will be paid by June 30, 2008.
- **July 15, 2008 is the final postmark deadline** for submitting grant reimbursement requests. The State Library will complete all payments by August 30, 2008.

For grant programs that allow purchase of computer equipment:

The State Library understands that costs of computer equipment change rapidly. If proposed equipment is purchased for less than the grant award amount, the library must obtain State Library approval to use the balance of the grant funds. The State Library does not guarantee approval for additional purchases in order that all grant funds can be used.

2.5. What reports must grantees make?

As part of the evaluation process for LSTA grant programs, all grant recipients must complete a report on their grant-funded project. It will be due to the State Library by September 30, 2008. The report will include a summary of grant expenditures, review of the project's accomplishments and descriptions of outcomes/benefits for users. The State Library will provide a form for the grant report.

To help you develop your plan for evaluation and reporting, please review the type of report you will have to provide. The 2005-2006 online report form may be found at URL <http://statelibrary.dcr.state.nc.us/lsta/report0506.htm>.

Non-profit grantees must comply with the requirements of North Carolina General Statute 143-6.2 and the corresponding rules of North Carolina Administrative Code, Title 09, Chapter 03M, "Uniform Administration of State Grants," and the applicable requirements in the Office of the State Auditor's Audit Advisory ADV-2005-001 September 2005, including submission of required financial reports within six months (or nine months for \$500,000 threshold) of the end of the Library's fiscal year(s) in which grant funds are received.

2.6. What impact will CIPA have on LSTA grantees?

In Fall 2000, Congress passed the Children's Internet Protection Act (CIPA) establishing certain requirements that affect public and school libraries that use federal funds to support public access to the Internet. One result is that the State Library must assure the Federal Government that affected libraries have Internet safety policies in place and are using technology protection measures, e.g., filtering software technology. This requirement applies to public libraries and public elementary and secondary school libraries that receive LSTA funds to purchase computers for accessing the Internet or to pay for the direct costs of accessing the Internet.

Libraries that participate in the Universal Service (E-rate) program are also subject to CIPA compliance requirements, which are more stringent for the E-rate program than for LSTA.

E-rate CIPA compliance requirements take priority over those for LSTA. This means that a public or school library that is already complying with CIPA under the provisions of the E-rate program does not have to take any further compliance action to be eligible for LSTA funds. For additional information on CIPA compliance for libraries subject to LSTA rules, please see <http://statelibrary.dcr.state.nc.us/lsta/cipa.htm>.

Every library that submits an application for funding to the State Library must include the appropriate CIPA certification documents as part of its application package. This applies to all grant applicants—no matter what type of library or what type of grant. This requirement is the result of guidance provided to state library agencies by the Institute of Museum and Library Services (IMLS), the federal agency that administers LSTA.

Additional information on CIPA, with guidelines and all required forms, is available at <http://statelibrary.dcr.state.nc.us/lsta/cipa.htm>.

2.7. What else do applicants need to know?

Because these grants are from federal funds administered through a state agency, all grantees must adhere to required federal and state provisions. (See **Grant Provisions**, Section 3.) Please read these carefully.

2.8. Grant program timeline:

For Project grant programs (i.e., programs REQUIRING a Letter of Intent)

Programs include: Automated System; Innovation / Demonstration; Internet Infrastructure Improvement; Library Outreach Services; NC ECHO Digitization; NC ECHO Heritage Partners.

The following deadlines apply to 2007-2008 Project grants. Some dates are also included for 2006-2007 Mid-year planning grant programs.

September 13, 2006	<ul style="list-style-type: none"> Letter of Intent (LOI) announcement for Project grant programs; Guidelines and LOI application form available at URL below. Mid-year cycle 2006-2007 EZ planning grant guidelines and applications available (3 categories) – See “2006-2007 LSTA Grant Programs” at URL below. <http://statelibrary.dcr.state.nc.us/lsta/lsta.htm>
November 20, 2006	<ul style="list-style-type: none"> Letters of Intent due by 5:00 p.m. * Mid-year 2006-2007 planning grant applications due by 5:00 p.m. *
December 19, 2006	<ul style="list-style-type: none"> Approved Letters of Intent notified; applications available Announcement of funded Mid-year 2006-2007 EZ planning grants
February 21, 2007	Full applications due by 5:00 p.m. *
June 12, 2007	Announcement of funded projects
July 2007 – June 30, 2008	Grant project implementation and expenditure period for 2007-2008 projects
October 15, 2007	Postmark deadline for first grant reimbursement request
January 15, 2008	Postmark deadline for second grant reimbursement request
April 15, 2008	Postmark deadline for third reimbursement request; a minimum of 75% of grant amount must be requested by this deadline
June 30, 2008	Date by which all project funds must be spent
July 15, 2008	Final postmark deadline to submit grant reimbursement request
August 31, 2008	State Library completes grant payments
September 30, 2008	Final report due to State Library

* Must be **received** in the State Library’s Library Development Section Office, Room 210 Archives & State Library Building.

For EZ grant programs (i.e., programs NOT requiring a Letter of Intent):

Programs include: Basic Equipment; LSTA Project Planning; NC ECHO Digitization Starter; Planning; School Library Collection Development; Strengthening Public and Academic Library Collections; Technology Planning.

The following deadlines apply to 2007-2008 EZ grants.

December 19, 2006	Guidelines and applications available to libraries at URL http://statelibrary.dcr.state.nc.us/lsta/lsta.htm
February 21, 2007	Applications due by 5:00 p.m. *
June 12, 2007	Announcement of funded projects
July 2007 – June 30, 2008	Grant project implementation and expenditure period for 2007-2008 projects
October 15, 2007	Postmark deadline for first grant reimbursement request
January 15, 2008	Postmark deadline for second grant reimbursement request
April 15, 2008	Postmark deadline for third reimbursement request; a minimum of 75% of grant amount must be requested by this deadline
June 30, 2008	Date by which all project funds must be spent
July 15, 2008	Final postmark deadline to submit grant reimbursement request
August 31, 2008	State Library completes grant payments
September 30, 2008	Final report due to State Library

* Must be **received** in the State Library's Library Development Section Office, Room 210 Archives & State Library Building.

2.9. Instructions for preparing and collating your application:

Your application is one of many that reviewers will read. Following these instructions will make it easier for reviewers to read and evaluate your proposal:

- Use an 11-point font size or greater and margins at least 1" on all sides. Concise wording is best.
- Use a header or footer, with a single page numbering system, throughout the whole document except for the cover signature page. Handwritten page numbers on attachments are acceptable.
- When using attached sheets to answer questions, repeat the question and question number from the application form, but do not repeat explanatory information.
- Any supplemental information or attachments should follow the completed application form.
- If you append any material not specifically requested in the application, be judicious in how much you include. Provide extracts of long documents. Reviewers can pay more careful attention to applications that are concise and supporting materials that are directly relevant.
- Copy your pages front and back if possible, on plain white paper.
- Staple application in upper left corner, with signature page on top. Do not bind or include a cover letter.
- Be sure to enclose 1 original of the required CIPA certification forms in your application package. No additional copies are required.

2.10. Where do I apply?

Send completed applications to the address below. All applications must be received in the State Library's Library Development Section Office (Room 210, Archives & State Library Building) by 5:00 p.m. on February 21, 2007.

Send

- **one** (1) original of your application with certifying signatures in blue ink,
- **one** (1) signed original of each document specified by the *CIPA Certification Guidelines for LSTA Grant Applicants* <<http://statelibrary.dcr.state.nc.us/lsta/cipa.htm>>,
- **plus** the number of copies specified in the table below (excluding CIPA documents).

Grant Program	Application with original signatures in blue ink + CIPA Checklist (& Certification if required) <i>Include CIPA document(s) with original application only; do not make copies.</i>	Copies of application (in addition to the original signed in blue ink) <i>Do not include CIPA document(s).</i>
Project Grants		
Automated System	1	25
Innovation / Demonstration	1	25
Internet Infrastructure Improvement	1	25
Library Outreach Services	1	25
NC ECHO Digitization	1	25
NC ECHO Heritage Partners	1	25
EZ Grants		
Basic Equipment	1	15
Digitization Starter	1	15
LSTA Project Planning	1	15
Planning	1	15
School Library Collection Development	1	9
Strengthening Public & Academic Library Collections	1	15
Technology Planning	1	15

Warning: To be considered, applications must be received in the Library Development Office by the 5:00 p.m. February 21, 2007 deadline.

To assure on-time receipt by the State Library, applicants are strongly encouraged to use a commercial service and the Jones Street address. Packages sent via US Postal Service and Mail Service Center address (even Express Mail) frequently encounter delivery delays, and the US Postal Service does **not** deliver to the Jones Street address. Any application not received by the deadline will not be eligible for consideration.

Delivery by commercial service (e.g. FedEx, UPS), or hand delivery: RECOMMENDED	Delivery by US Postal Service:
LSTA Grant Applications	LSTA Grant Applications
Library Development Section, Room 210	Library Development Section
State Library of North Carolina	State Library of North Carolina
Archives & State Library Building	4640 Mail Service Center
109 E. Jones Street	Raleigh NC 27699-4640
Raleigh NC 27601	

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GRANT PROVISIONS

The following state and federal provisions apply to the LSTA grant program. Libraries awarded grants must agree to comply with these provisions.

1. Grant Agreement and Timing of Expenditures

Official notification of the grant award must be received from the State Library and a grant agreement (formal agreement between the grantee and the State Library) signed by both the representatives of the library and the State Librarian *before* any funds may be encumbered or expended for the project.

2. Allowable and Unallowable Costs

Grantees must carry out the grant project according to the approved grant proposal, and all federal funds must be expended solely for the purpose for which a grant was awarded.

The following costs are unallowable and may not be proposed as grant project costs: bad debts, contingencies, contributions and donations, entertainment, fines and penalties, under recovery of costs under grant agreements (excess costs from one grant agreement are not chargeable to another grant agreement).

3. Legal and Regulatory Compliance

Grantees must expend grant funds in accordance with all applicable local, state, and federal laws and regulations.

4. Budget Revisions and Programmatic Changes

Grantees must not deviate from the approved budget and plan for carrying out the grant project as contained in the approved grant application unless prior approval is obtained from the State Library.

5. Records Retention

Grantees must maintain adequate financial records to ensure complete reporting, and retain programmatic and financial records relating to the grant for a minimum of five years from the due date of the final grant report, or until all audit exceptions have been resolved, whichever is longer.

6. Free and Open Competition

Purchases made from grant funds must be carried out to ensure free and open competition to the extent possible. Libraries eligible to purchase under state contract may use this option for grant purchases.

7. Debarment & Suspension

Transactions for the purposes of this grant will not knowingly be made with parties who have been debarred or suspended from receiving Federal financial assistance under Federal programs and activities (Debarment and Suspension Certification).

8. Equipment and Inventory

Equipment with unit price above \$500 purchased with grant funds must be labeled as purchased with LSTA funds and listed on biennial inventory reports requested by the State Library. If fair market value at the time of surplus or disposal exceeds \$5,000, disposal must be cleared with the State Library.

9. Publicizing & Acknowledging Funds

Grantees are required to credit IMLS/LSTA in all related publications and activities in conjunction with use of the grant funds. Grantees should publicize grant-supported activities in available and appropriate media.

The following acknowledgement statement must be used when meeting these requirements: "This publication/activity/program/etc) was supported by grant funds from the Institute of Museum and Library Services under the provisions of the federal Library Services and Technology Act as administered by the State Library of North Carolina, a division of the Department of Cultural Resources." Copies of any publications or materials produced under the grant must be submitted to the State Library.

10. Lobbying

Grantees are prohibited by federal law from using grant funds to pay costs associated with lobbying Congress or the public for purposes of influencing elections, legislation, or the award of any federal funds. Grantees receiving an award of over \$100,000 must file a certification regarding lobbying.

11. Non-discrimination

All library services provided as a result of the federal grant funds must be available without discrimination to all members of the community served. Participation may not be denied on the basis of race, color, national origin, handicap, age, or sex. Relevant legislation includes the following: Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; Section 6101 of the Age Discrimination Act of 1975; The Americans With Disabilities Act of 1990; subject to certain exceptions, Title IX of the Education Amendments of 1972.

12. Audit and Financial Reporting Requirements

LSTA grants must be audited in compliance with federal and state audit requirements for local governments and public authorities, institutions of higher education, and non-profit organizations. The following source documents outline the standards and requirements:

- United States Office of Management and Budget: (OMB) Circular A-133 - Audits of States, Local Governments, and Non-Profit Organizations.
- North Carolina General Statute 143-6.2 "Use of State funds by non-State entities", and the corresponding rules of North Carolina Administrative Code, Title 09, Chapter 03M, "Uniform Administration of State Grants."

LEGAL REFERENCES:

- Nondiscrimination in Federally Assisted Programs – 45 CFR 1110
- Nondiscrimination on the Basis of Handicap in Federally Assisted Programs and Activities – 45 CFR 1170
- Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments – 45 CFR 1183
- Governmentwide Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants) – 45 CFR 1185
- OMB Circular A-102 – Grants and Cooperative Agreements with State and Local Governments
- OMB Circular A-110 – Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
- OMB Circular A-87 - Cost Principles for State, Local, and Indian Tribal Governments
- OMB Circular A-21 - Cost Principles for Education Institutions
- OMB Circular A-122 - Cost Principles for Non Profit Organizations

APPENDIX A

MINIMUM SPECIFICATIONS FOR NEW DIGITIZATION EQUIPMENT PURCHASES 2007-2008

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Component	Recommended
COMPUTER	
CPU	2.8 GHz processor or better
RAM	1 GB or better
Hard Disk	80 GB or better
Expansion	At least one expansion slot
Optical Disk	DVD-RW
Video	64 MB video RAM or better
Monitor	21" CRT or LCD or better
SCANNER	
Scanning Area	8.5" x 14" (legal-sized) or larger
Resolution	1200 x 2400 optical scan resolution (not interpolated resolution)
Bit Depth	42 bit color depth
Dynamic Range	At least 3.4 (if planning to scan film or slides)
Scanner Software	Supports TWAIN
Accessories	Transparent media adapter (for negatives & slides)
Interface	SCSI or USB
PRINTER	At a minimum, native 600 dpi color printer (printer vendor may achieve higher resolutions through software enhancement)

APPENDIX B

K-12 Education Information

Applicants are encouraged to use the many resources provided by LEARN NC (<http://www.learnnc.org>), a program of the UNC-CH School of Education, to enhance the K-12 education aspects of their proposed projects. LEARN NC staff work in conjunction with NC ECHO to provide support to applicants on K-12 education outreach, classroom instructional tools, and professional development for teachers.

LEARN NC can assist applicants with selecting and prioritizing materials for digitization in support of *The North Carolina Standard Course of Study*, focusing on what teachers and students will be most likely to use, how materials may fit into classroom instruction, and how the digitized collections may help teachers to present the skills required in the curriculum. These services are provided free of charge. For a specific consultation regarding your proposed project, contact Melissa Thibault (mthibault@learnnc.org) or Leslie Richardson (lrichardson@learnnc.org). Please put "NC ECHO Consultation" in the subject line of your message.

Teacher Resources:

The addition of teacher resources related to a Web site's content can promote the most effective use of information provided. Teacher materials could include suggested activities, lesson plans, and examples of student projects.

Incorporating Lesson Plans:

- Delineate a strategy for developing and ensuring high quality lesson plans aligned to the *North Carolina Standard Course of Study*, for example:
 - Contract with local educators to develop lesson plans
 - Offer workshops for local educators to create lesson plans as part of a professional development opportunity
 - Partner with educators at a local college of education to develop and/or evaluate lesson plans
- Lesson plans should use a standardized format, such as the template available on the Learn NC Web site at: <http://www.learnnc.org/lessons/>.
- If lesson plans already are available, explain how they will be re-evaluated for alignment with the *North Carolina Standard Course of Study* and adherence to a standard format.
- Provide specific goals for the number of lessons that will be created as well as a realistic timeline for their creation.

Multimedia:

Multimedia such as music, audio, video, VR, and graphic files is an important element of a Web site to engage students, thereby enhancing their learning. These files should be provided in several formats to meet the needs of various software applications.